

MICHIGAN NATURAL RESOURCES TRUST FUND

BOARD OF TRUSTEES MEETING

Minutes of August 18, 2004  
Best Western Midway Hotel, 7711 W. Saginaw, Lansing

The meeting of the Michigan Natural Resources Trust Fund (MNRTF) Board of Trustees commenced at approximately 9:07 A.M.

The following Board members were present:

David Dempsey  
Bob Garner  
Jim Thompson  
Sam Washington

Due to a prior commitment, Mr. Arwood was not in attendance.

Also in attendance were various staff members of the Department of Natural Resources (DNR) and other interested parties.

At the request of Chairperson Thompson, and concurrence of Board members, the order of agenda items was changed to commence with "Old Business."

IV. OLD BUSINESS.

2004 Application Review – August 1 Applications.

Mr. James Wood, Chief, Grants, Contracts and Customer Systems (GCACS), DNR, briefly outlined the applications that were received by the August 1 supplemental deadline. There were 37 new applications received—14 acquisition and 23 development. Of the 37 applications received, 35 were from local units of government and two from the DNR.

At this point, Ms. Deborah Apostol, Manager, Grants Section, Grants, Contracts and Customer Systems, DNR, briefed the Board on the preliminary review of the initial group of applications (146 applications). Summary reports have gone out to local units of governments and the DNR representatives advising them as to what could be done to improve their project to enable it to score higher. There is a deadline of September 30, 2004 to send supplemental information back to GCACS. Applications will continue to be reviewed and supplemental information received will be incorporated. Final scoring will be provided to the Board before their December meeting.

Mr. Dempsey asked if staff was aware how many, if any, applications were related to the Governor's "Cool Cities" initiative. Ms. Apostol responded it appears that only one—City of Alpena—looks like it is related the "Cool Cities" initiative.

Ms. Apostol further stated that if the Board wished to review the information that was sent to the local units of government, staff would copy all or any portion for their review.

Mr. Dempsey mentioned that he had a citizen asked him about the Fisherman's Landing and Campgrounds Recreational Bathhouse Construction project (04-179), which was rejected on technical grounds. He wondered what the technical issue was. Ms. Apostol responded that the applicant was the Muskegon Conservation District, who was applying for funds to further develop Fishermen's Landing. The site is owned and operated by the City of Muskegon. While the Conservation District is a unit of government, it is not mandated to provide recreation. With that ruling, staff advised the Conservation District that they were not eligible to apply for funding. The City of Muskegon could apply for funding for this site, and has in fact, received Land and Water Conservation Fund monies in the past.

Mr. Washington asked if the City of Muskegon still has an interest in disposing, transferring or converting the site to an aggregate storage area. Ms. Apostol responded that staff has not heard back from the City regarding this issue in 6 to 8 months. At that time, it was staff's understanding that the City was backing off on conversion and was continuing forward to keep the site open as a recreation site.

#### MNRTF Retreat Updates.

Mr. Wood stated that staff has met with Michigan Natural Features Inventory staff and others to discuss the issues that were raised at the MNRTF Board Retreat. Staff will provide the Board with revised criteria at the October meeting, with final acceptance at the December meeting.

One of the issues raised at the retreat was recreation plans—the requirement that local units of government must have an approved plan for grant eligibility. Staff has been meeting with a group consisting of local units of government and planning experts to discuss this issue.

#### I. ADOPTION OF MINUTES FOR MEETING OF JUNE 16, 2004.

Chairperson Thompson called for the adoption of the June 16, 2004 Board meeting minutes.

**MOVED BY MR. WASHINGTON, SUPPORTED BY MR. DEMPSEY, TO APPROVE THE MINUTES OF THE JUNE 16, 2004 MNRTF BOARD MEETING. PASSED.**

#### II. ADOPTION OF AGENDA FOR MEETING OF AUGUST 18, 2004.

No official motion to adopt, as was previously agreed to move order of agenda items.

#### III. PUBLIC APPEARANCES.

##### Mr. Phil Porter, Director, Mackinac Island State Park Commission – 04-123, Mackinac Island Acquisition.

Mr. Phil Porter, Director of the Mackinac Island State Park Commission, provided a PowerPoint presentation outlining the Mackinac Island Acquisition project (04-123).

Mr. Porter provided some historical background information for the Board. Mackinac Island was established as the nation's second national park in 1875. The soldiers at Fort Mackinac who took care of the park, and when decommissioned, the properties were turned over to the State of Michigan. In 1895, Mackinac Island became Michigan's first state park. In 1972, the park was given national landmark status, which is the highest level of recognition that can be given to an historic place.

The park has approximately 800 wooded acres, 72 miles of roads and trails, over six miles of shoreline and is open year-round. The park is open free to the public, and there are about 800,000 annual visitors a year. When the park became state property in 1895, only about 50 percent of the Island was state park. At this time, about 80 percent is state park. It is within the past 10 years that the Mackinac Island State Park Commission has undertaken an aggressive program to protect properties from development.

Mr. Porter stated that Mackinac Island has identified four priorities in their land protection and acquisition approach: 1) historic size and natural features, 2) shoreline properties, 3) environmentally sensitive areas, 4) lands that are contiguous or inholdings to the state park. Based on these priorities, Mackinac Island has successfully acquired properties outright, obtained development rights and conservation easements, received donations of property and used multiple funding sources for acquisitions. In the last seven years, 23 acres has been added to the park, including one mile of lakeshore.

Mr. Porter outlined the Miller property. The property is approximately 18 acres and is the second largest undeveloped property on the island and is located in the West Bluff overlooking the Straits of Mackinac and Bridge looking south towards Mackinaw City. The property includes 700 feet of Lake Huron frontage along Lakeshore Boulevard. The property would provide a connection to the Sunset Rock property. Acquiring this property is important, as even though this is a state highway, the right-of-way on M-185 only extends from one end of the asphalt to the other. There is not a 66-foot wide right-of-way.

The Miller property has been appraised at \$3.25 million. Mackinac Island's original funding request was for \$3.05 million. The MNRTF Board awarded \$200,000 two years ago, and would be used as a down payment for acquisition. The property is currently held in trust by the Manoogian Foundation until funds can become available for acquisition. In addition, the Foundation will be making a donation (\$1.25 million) by selling the property for \$2 million. Because of this donation, Mackinac Island will be reducing their MNRTF funding request to \$1.8 million. This is a one-time offer only from the Manoogian Foundation, and is made in conjunction with Mackinac Island's current grant application and will expire after December 2004.

Mr. Washington asked how many more properties of this type would become available in the future. Mr. Porter responded that the amount of available property is diminishing all the time. There is not a lot left, but the properties they have prioritized are the ones most likely for massive development. Mr. Washington stated the State owns 85 percent of the island at this time. He wondered at what point should land no longer be acquired. Mr. Porter responded that this is an island and there is only so much property. The island is such a special place and development is very visible.

Chairperson Thompson asked what side of the property the golf course and condominiums are located. Mr. Porter pointed out locations via a map. Chairperson Thompson also asked how long the property will remain in trust if Mackinac Island is not approved for funding this year. Mr. Porter responded that Mr. Manoogian has agreed to hold on to the property for awhile, but not for an extended length of time. This is a one-time only offer being made for acquisition of the property.

Mr. Garner asked about the Manoogian Foundation and wondered if it was different from the Manoogian business. Mr. Porter responded that it is different. Mr. Garner wondered what township that has governmental control over the properties. Mr. Porter responded that there are

two governmental agencies: Mackinac Island State Park Commission, which controls the park; and the City of Mackinac Island, which manages the city properties. It is within Mackinac County and Holmes Township [sic]. Mr. Garner wondered what control the City of Mackinac Island would have over the property. Mr. Porter responded that the property falls within the city. Mr. Garner asked if the city has an active zoning plan. Mr. Porter responded they have a zoning board and city council that oversees properties. Mr. Garner asked if the property is acquired in fee simple, would it still be within the city limits of the City of Mackinac Island. Mr. Porter responded that no, it would become part of Mackinac Island State Park. He also pointed out that there are no Payment In Lieu of Taxes (PILT) issues with Mackinac Island State Park.

Mr. Washington asked if there was any way to put an easement on the property rather than actually acquire it. Mr. Porter responded that that would be a technique that could be used. At this point, it has been the desire to acquire the property to keep it from being developed and to use for public access to Sunset Rock.

Mr. Garner was concerned about access to the public, as the property is on an island. He is concerned about buying property where it is not readily accessible to the public.

Ms. Missy Shaheen and Ms. Kathy Bruehl – 04-088, Walloon Lake Access, submitted by Bear Creek Township.

Ms. Missy Shaheen and Ms. Kathy Bruehl made a presentation in opposition of application 04-088, Walloon Lake Access, submitted by Bear Creek Township. They are speaking on behalf of affected neighbors and concerned citizens in the Jones Landing area. They provided copies of their prepared statement and referenced maps for the Board to further review.

Ms. Shaheen stated that residents feel the Jones Landing Park proposal is both environmentally and fiscally irresponsible for the following reasons:

- No impact studies have been done. Bear Creek Township does not intend and has denied the Walloon Lake Association's request to perform impact studies before acquiring this land. The studies, which are a prerequisite for development should, in fact, be a prerequisite for the acquisition funding.
- Plan does not make environmental sense. Studies have shown the North Arm to be smaller, shallower and less clear than the rest of the lake; therefore, it is most likely to be adversely affected by increased boat usage. Residents believe the increased boat traffic would do significant damage to the water quality, shorelines and neighboring Schoof's Creek Nature Preserve.
- Questionable timeline and appearance of secrecy and deception. The plan has been brewing for close to two years, yet it has been kept quiet. The most heavily impacted were not notified. The timeline of events is questionable. The application was signed on March 25, 2004 and the Board of Trustees voted to apply for the funding on March 29, 2004. The public hearing was held on March 31, 2004. These events occurred in the reverse order expected in order to feel secure in the knowledge that public input plays a role in such decisions.

- The park concept was initiated by landowner, Jack Jones. At the March 5, 2004 Township Board meeting, Clerk Judy Mays stated that “Jack came to us and he is the one that wants to see it as a park. Otherwise, we would not be here.” Pair this with the lack of notice to impacted neighbors and it causes us to wonder who is calling the shots—the residents, elected township officials or Mr. Jones.
- It is felt the Bear Creek Township Recreation Plan contains misleading information regarding the justification for the project. The plan insinuates that the Jones Landing Park resulted from a brainstorming session held on October 8, 2003. In comparing the actual brainstorming session minutes with the recreation plan, inconsistencies in the reporting of the project priorities are revealed. Projects and accompanying votes were combined so that Walloon Lake access appears as the highest priority in the plan. This manipulation of numbers from the October 8<sup>th</sup> meeting along with the fact that the conceptual site plan for the park is dated January 17, 2003, makes it appear that this part of the plan was crafted around the 10-month old site plan.
- While responding to inquiries regarding the projected increase in boat launch traffic, the township supervisor suggested there would be little, if any, increase in traffic. Yet in the grant application, boat access is listed several times as a new or increased recreational opportunity. These contradictions and deceptions make it difficult to trust that the township board will proceed in a forthright manner.
- Neighborhood impacted negatively. The proposed park would be wedged in-between residential properties.
- Lack of adequate planning. Bear Creek Township officials have answered questions regarding the cost for developing, maintaining, supervising and policing the park with answers such as “no cost,” “we’ll apply for grants,” “none,” or “unknown.” By their own admission, they have not checked with any other townships owning waterfront parks as to their unanticipated problems. This does not install confidence in the township board and its ability to execute and effectively manage the proposed park.
- Water safety issues. The Jones Landing Park is to have both swimming and motorized boat traffic within a relatively small amount of space. As trailered boats enter the water and boats from the rest of the lake anchor in, separating them from swimmers will be difficult. Add to this nonmotorized boats that are heading to the nearby preserve. They can only get to the preserve by crossing through this congestion. The problem will be duplicated at the exit of the arm known as “the narrows.” It is already congested with swimmers on sandbars located on either side. The presence of numerous additional boaters coming from the end of the north arm through the narrows in order to gain access to the larger body of water, and additional boats passing from the rest of the lake to reach the park, will only worsen what is already a dangerous situation.
- Land safety issues. All park traffic would turn on and off US-131. The intersection of Gruler Road and US-131 is already dangerous. Jones Landing is a dead end road and makes it non-conducive to good traffic flow. It is a narrow road with frequent limited sight lines due to hills and curves. A thorough traffic safety study should have been completed at the very beginning of the process.

- Difficult access for emergency vehicles.
- Increased security risks for neighbors.

At this point, Ms. Bruehl outlined the financial concerns expressed by residents.

- Realistic annual operating expenses not determined. It is questioned if Bear Creek Township will have the funds to responsibly maintain this park.
- Comparisons to Spring Lake Park not valid. The grant application indicates the project would require a \$20,000 annual operating budget based on the “current cost of Spring Lake Park. The new park would be the same approximate size and scope.” There are too many differences to call this a fair comparison. Spring Lake Park has no water access. The Jones Landing Park proposal includes a boat launch, docks, swimming beach and bathhouse which are not present at Spring Lake Park. These additions carry their own set of issues, liabilities and costs that the township does not have to address at Spring Lake Park.
- The Jones Landing Park proposal calls for a caretaker’s resident which adds another set of issues, liabilities and costs not relevant at Spring Lake Park.
- Spring Lake Park is a much more visible location. This reduces the need for specific or additional police patrols which would be necessary at the remote location of the Jones Landing Park.
- Questionable cost benefit. According to the grant application, the cost of the acquisition is \$2,291,100. This results in a cost of \$654,571 per acre (3.5 acres). The site already has a boat launch and there is a public swimming area and boat launch four miles down the road. There are over 20 public access sites on Walloon Lake, none of which currently receive excessive use. It is believed that the cost of this project is justified by the amenities received. How does this project compare to other applications offering truly new opportunities and how does this compare to other applications in dollars per acre?

In closing, Ms. Bruehl further stated that it is not felt that the Board should support a project that represents the purchase of only 3.5 acres of land for \$2.3 million on a small inland lake that already has a combination of 20 underutilized parks and public access points. She pointed out that the landowner promoting the sale is the past Bear Creek Township Supervisor and is currently an Emmet County Commissioner and an Emmet County Planning Commissioner.

It was felt that with the current State deficit, there must be many other more economical and worthy projects that need funding. If the initial \$2.3 million is spent, the taxpayers of Michigan will be funding the annual operating expenses on this proposal. The Board has also received over 200 letters from concerned citizens expressing opposition to this proposal.

Mr. Washington asked if the accesses identified were public or owned by associations. Ms. Bruehl responded that they were public access.

Mr. Garner expressed the fact that every time the State of Michigan looks to acquire property for a boat access site, this type of opposition is expressed. The surrounding property owners are essentially saying "not on my lake." The financial costs are the strongest points expressed and would make the most difference in the decision made by the Board. He suggested that this aspect be focused on by the opposing citizens.

Mr. Washington stated that he needs someone from the Walloon Lake group to send a detailed listing of each and every access sites on the lake. He wants to know who and how they can get to them. It has been made known to him for 40 years that Walloon Lake is not accessible to the public. His inclination right now is to fund the project so that the public has access. The Board has a problem with lakes of this size in the State where the public does not have access. The lake does not belong to the riparian owners, but rather the public. When Mr. Washington first viewed the application, it appeared to him that this was a rare opportunity after many years to allow general public access to a lake several thousand acres in size. He needs to be convinced that there is access there now.

Chairperson Thompson asked what type of launch site was there at the present time. Ms. Shaheen responded there is a road end with a concrete launch pad with a dock next to it. Mr. Garner asked if there was parking. Ms. Shaheen responded the road is wide enough to park on both sides.

Mr. Dempsey stated that he appreciated the group's concern, but he also shares Mr. Washington's concerns as to where the public access sites are. He is troubled by some of the cost figures raised and the relationship between the local property owner and the township board. He would like to know more about this.

Mr. Dempsey asked DNR staff if there has been any preliminary review done on this site, and if so, what the status was. Ms. Deborah Apostol, Manager, Grants Section, Grants, Contracts and Customer Systems, DNR, responded that the application was received a preliminary review by staff. The review evaluation was sent out to the local unit of government. Many of the issues raised today were some of the staff concerns. Staff has questions on the match, commitment, donation from the landowner, and the township's ability to operate and maintain in the future and keep it open for public use. Staff has also reviewed the letters that have been received in opposition to the project. The acquisition cost is just an estimate at this point, subject to an appraisal of the property and review by DNR's Office of Land and Facilities staff as far as fair market value. The township will have until September 30, 2004 to provide supplemental information in response to staff's questions. If the Board has any questions, we can ask the township to address them as well.

Mr. Washington encouraged the Walloon Lake group to continue to provide information on the project to the Board.

Mr. Bill Boik, Parks and Recreation Bureau, DNR, stated that a review was conducted of the application submitted. Staff found some technical problems with the boat launch. Parks and Recreation Bureau also are very interested in seeing public access on Walloon Lake which is safe and accessible for people with disabilities and older people. Mr. Washington asked if there was some access, but not for all types of needs. Mr. Boik responded that there is access, but not everyone can access it. Mr. Washington asked if there was an aggregate number of how many people could access the lake at any given time. He wants to know what the current level of access to the lake is. Mr. Boik responded that off-road parking is an issue. There is no designated parking to the road endings and numbers will vary.

Mr. Garner asked if there is not an Americans with Disabilities Act (ADA) accessible launch there, is there any way to upgrade some of the launches that might exist. Mr. Boik responded yes.

Ms. Betsy Lieberman, Executive Director, Walloon Lake Association – 04-088, Walloon Lake Access, submitted by Bear Creek Township.

Ms. Betsy Lieberman, Executive Director of the Walloon Lake Association, made a presentation in opposition to application 04-088, Walloon Lake Access, submitted by Bear Creek Township. The association has 1,039 members.

In answer to the question the Board raised on current access sites, the Association has an extensive study though old. They would be happy to bring this up to date and provide information to the Board.

Ms. Lieberman read a prepared statement to the Board asking for their denial for funding of grant application 04-088 submitted by Bear Creek Township. Major concerns are as follows:

- Bear Creek Township is not willing to perform any environmental impact studies prior to purchasing and developing the land in question.
- Bear Creek Township is not willing to perform any traffic impact studies – either for vehicle traffic on the roads or for boat traffic near the proposed swimming area at the narrows exiting the North Arm of Walloon Lake or in the balance of the lake.
- The development of the park is an egregious expenditure of funds, resulting in duplicate and damaging amenities on the lake. The consequences of placing a park in this fragile area are too many to be ignored.

Ms. Lieberman further stated that for over 26 years weekly water quality tests have been performed on the lake during the summer season. In 1989, an extensive lakewide study was completed by Limno-Tech, Inc. At that time it was concluded that the lake had excellent water quality, but additional pollutants entering the lake could potentially swing the balance and cause severe damages. With continued development, very little of Walloon Lake's 30 miles of shoreline remain untouched. In the past 15 years there is little to suggest the fragility of Walloon Lake has improved.

Ms. Lieberman further outlined aspects of the proposal – public hearing, fragility of the area, environmental impact or traffic study not being undertaken by Bear Creek Township, and that Walloon Lake currently has 22 access sites (which are identified on the map provided to the Board).

Mr. Washington asked if Ms. Lieberman knew why Bear Creek Township proposes to acquire this property. Ms. Lieberman responded that Dennis Kaiser, the township supervisor, spoke at a Walloon Lake Association board meeting and basically told the Association that Mr. Jones approached the township and requested that the township acquire his property to put in a park. If the township was not interested, he would go to the county to see if they would like to acquire the property. If they were not interested, he would see if the State of Michigan was interested. The township indicated that if Mr. Jones had not approached the township board, they would not have pursued this project.



Mr. Washington further stated that the Little Traverse Conservancy is a strong advocate for Bear Creek Township's acquisition of the property. He asked Ms. Lieberman if she knew why Little Traverse Conservancy was advocating for the project. Ms. Lieberman responded she was not sure as the Conservancy's comments to the Walloon Lake Association have never stated which "side of the fence they are sitting on." Mr. Tom Bailey, Executive Director for Little Traverse Conservancy, authored the grant application for the township. Mr. Bailey did express to the Association that the application was submitted without bias.

Ms. Mindy Koch, Resource Management Deputy, DNR – Presentation of DNR Applications.

Ms. Mindy Koch, Resource Management Deputy, DNR, provided a PowerPoint presentation to outline the 2004 applications that had been submitted by the DNR.

Ms. Koch stated that if the Board would like information on the Walloon Lake, the DNR will provide them with the information available related to access and investments that the DNR has made. Mr. Garner would also like to know what investments Fisheries Division has made. Information will be provided to the Board.

Ms. Koch briefly outlined the process of preparing, reviewing and submitting applications for DNR projects. In addition, nominations are submitted by individuals to be considered for acquisition by the DNR. Examples of nominations that have been submitted, and are now being considered, are Kamehameha Schools Land Project (04-124), CMS Arcadia/Green Point Dunes (04-125) and Lee Grande Ranch Conservation Easement (04-133). The projects are ranked Tier 1 and Tier 2, depending on priority of DNR division chiefs. Tiering is also based on how well the project scored out upon review of GCACS staff and importance of safety issues. Leveraging MNRTF funds with other funding sources to acquire properties is also considered in determining priorities.

Ms. Koch outlined the development projects included in Tier 1. They are as follows:

- 04-180, Cedar Creek Outdoor Center Development, Parks and Recreation Bureau. This project is for the construction of a shower building at Cedar Lake Outdoor Center at Waterloo Recreation Area - \$261,060.
- 04-134, State Forest Campgrounds Improvements, Forest, Mineral and Fire Management (FMFM) Division. To improve four rustic campgrounds (Big Lake Bass Lake, Pickerel Lake and Tomahawk State Forest Campgrounds) with universally accessible camp facilities (toilets, wells, registration stations, picnic tables, fire rings, campsite, access routes and road repair) - \$500,000.
- 04-138, Pontiac Lake Fencing Project, Law Enforcement Division. Construction of a fence around the Pontiac Lake shotgun range - \$206,000.
- 04-136, Ortonville Shooting Range-Phase I, Law Enforcement Division. Construction of a fence around the Ortonville shooting range and supply electricity to the facility - \$500,000.

Tier 2 development projects include the following:

- 04-135, Rose Lake Shooting Range, Law Enforcement Division - \$27,100.
- 04-137, Bald Mountain-Phase I, Law Enforcement Division - \$55,800.

Tier 1 acquisition applications include the following:

- 04-124, Kamehameha Schools Land Project, Executive Division. Phase III of three-phase request for purchase of a working forest conservation easement of approximately 390,000 acres - \$3,000,000.
- 04-125, CMS Arcadia/Green Point Dunes, Executive Division. Phase II of a request to purchase development rights on approximately 1,850 acres of dunes and forest on Lake Michigan - \$7,132,788. The last request next funding cycle will be for \$3.6 million.
- 04-129, Brule/Menominee River Corridor Initiative, FMFM Division. Acquisition of over 600 acres (5 separate parcels) and over two miles of river frontage that includes winter habitat and corridors - \$1,000,000.

Mr. Garner stated that he would like to see a more detailed map of the inholdings for 04-129.

Ms. Koch responded that FMFM will provide this to the Board.

- 04-133, Lee Grande Ranch Conservation Easement, FMFM Division. Acquisition of a conservation easement on approximately 2,560 acres that is almost entirely surrounded by State Forest land - \$5,500,000. The proposal would be to acquire in three phases. The first phase would be \$1.5 million. The Little Traverse Conservancy would be designated as the fee owner and the DNR would hold the conservation easements.
- 04-130, State Forest Land Consolidation Initiative, FMFM Division. To improve blocking, access, management and public use and to reduce fragmentation and conflicts - \$2,000,000.
- 04-181, Lighthouse West Property/Leelanau State Park, Parks and Recreation Bureau. Purchase of a conservation easement to include 42 acres and 640 feet of Lake Michigan shoreline - \$1,267,000.
- 04-141, Various Park Acquisition, Parks and Recreation Bureau. To acquire first priority, critical inholdings or other key parcels of land that is immediately adjacent to existing State Park and Recreation Area boundaries - \$2,500,000.
- 04-143, Wildlife Area Lump Sum, Wildlife Division. Purchase of inholdings within State Game and Wildlife Areas statewide with emphasis on Southern Michigan - \$2,000,000.
- 04-144, Winter Deer Habitat-Phase III, Wildlife Division. To acquire and protect critical winter deer habitat and consolidate State Forest land ownership. Partnership with Wildlife and FMFM Divisions, conservation groups and forest product industry - \$3,000,000.

Tier 2 acquisition applications include the following:

- 04-126, Upper Peninsula Permanent Trail Initiative, FMFM Division - \$1,500,000.
- 04-127, Mackinaw City to Petoskey Trail Gap Acquisition, FMFM Division - \$700,000.
- 04-128, State Trailways Initiative, FMFM Division - \$500,000.
- 04-132, Bear River Parcel Conservation Easement, FMFM Division - \$280,000.
- 04-139, Warren Woods/Warren Dunes, Parks and Recreation Bureau - \$8,662,260.
- 04-140, Grand Mere Acquisition, Parks and Recreation Bureau - \$1,650,000.
- 04-142, Wildlife Conservation Easements, Wildlife Division - \$1,000,000.

Mr. Joe DeAngelis, Chikaming Township Park Board Member – TF03-137, Township Park and Preserve Development, Chikaming Township.

Mr. Joe DeAngelis, Park Board Member, Chikaming Township, made a presentation on TF03-137, Township Park and Preserve Development. The township received a \$2 million grant for the development of the park and preserve. His concern was regarding access at Cherry Beach.

When the application was submitted, the township explained the residents' only policy at Cherry Beach by stating "parking passes being required for parking in the parking lot, but public access is not restricted." Nonresidents were parking outside the gate and residents required a pass to park inside. There were three Township Board members who are seeking to restrict the public access to the park by putting up a sign stating "private beach" and a guard at the gate to keep nonresidents parking on the property outside the gate from entering inside the gate. The Township attorney advised the Park Board that such a policy would be in violation of the tax code and the proposal was rejected.

Parking in the nonresident area was then eliminated on a questionable safety issue at the request of a Park Board member on the Township Safety Committee, and declared a no parking zone. Nonresidents would need to now park inside the gate. The Park Board objected to this. Ultimately nonresidents could not park either inside or outside the gate.

The Park Board then requested a public road easement that runs through the park from the gate to Lake Michigan be vacated. The Berrien County Road Commission rejected the Park Board's request to vacate the County road easement, and advised that the road easement inside the gate, including parking, had to be open to the public—residents and nonresidents. The Park Board refused to comply with the Road Commission's directive. The DNR was notified and, according to Mr. DeAngelis, advised the Park Board that "the park must be open to all residents of the State of Michigan." The Park Board refused to comply with the DNR's directive.

The park is a tax-exempt park. The Michigan Tax Commission requires public access to tax-exempt parks and states in Bulletin #19, November 2000, that "it is the position of the State Tax Commission that in order for a park to be exempt from property taxation, it must be open to the public without restrictions, not just to a limited group such as residents of the governmental units and their guests." The Commission also states that "differential admission fees can be charged nonresidents as long as they are reasonable." The Park Board refuses to comply with this law.

Cherry Beach was given to the Township by the Warren family, who also gave the State of Michigan property for Warren Dunes and Warren Woods State Parks. The deed states "said lands and premises are conveyed to said Township to be used for park and roadway purposes by the public." The land was given as a park for the public. The deed goes on to say "in the event said Township should cease to use said lands and premises for park and roadway purposes, the title thereto is to revert to the said first parties, their heirs and assigns." Mr. DeAngelis believes the Park Board is not exercising good stewardship in risking reversion of a public park by trying to vacate the roadway and their restrictive policy.

Mr. DeAngelis is asking the MNRTF Board to put a hold on distribution of funds for the grant until the Park Board provides equal public access that is not restricted at Cherry Beach. The Township committed to this when they applied for the grant.

Chairperson Thompson asked if the Park Board is close to realizing their errors in allowing public access. Mr. DeAngelis responded that they have asked the Township attorney to again look at the policy. He feels the current attorney will try and find some way to support what the Township is currently doing.

Mr. Dempsey asked if this was a pending grant or already awarded. Mr. Wood responded this is a grant that was recommended last year and is part of an appropriation. It has passed the House and Senate and is on the Governor's desk for signature. Mr. Dempsey asked if correspondence is ever sent to a local unit of government if they are in violation of a requirement the grant. Mr. Wood responded yes. If staff learns a site is being restricted for nonresident use, it is considered a conversion. The local unit is advised of this violation.

Mr. Washington asked about the parking area property itself that was donated by the Warren family, and wondered if the MNRTF would have any control over this issue. Mr. Wood does not think so.

Chairperson Thompson asked that when the Township applied for the grant, did they mark if they had a residents' only policy. Mr. DeAngelis responded it was indicated that parking passes were required but public access was not restricted. Chairperson Thompson wondered if the Township had marked they have private facilities on the application, would that have affected the scoring for the project as far as good stewardship. Mr. Wood responded possibly, but it would depend on what the situation was. He also conveyed to the Board that staff is in contact with Chikaming Township on this issue at this time.

Mr. Daniel Duncan, Chief Planner, Huron-Clinton Metropolitan Authority – 04-027, Indian Springs Metropark Acquisition.

Mr. Daniel Duncan, Chief Planner for the Huron-Clinton Metropolitan Authority (HCMA), provided the Board with an update on information regarding 04-027, Indian Springs Metropark Acquisition. At the June meeting, the Board had raised some questions regarding HCMA's plan to sell some park land, yet seeking grant funds for the Indian Springs property. The properties in question (between Kensington Park and Proud Lake Recreation Area) they will be an integral part of Kensington Park and will not be sold.

In keeping with HCMA's Board policy, local units were asked if they were interested in excess properties. Milford Township was asked and was not interested. At that point, HCMA considered putting the properties up for sale. Because of concerns of local citizens and politicians, HCMA's Board made the decision to keep the land within the boundaries of Kensington Metropark. The property will be surveyed and used for a trail system.

## V. NEW BUSINESS.

Mr. Washington asked if the Board would like to consider writing a letter or constitutional amendment regarding the bill to restrict MNRTF funds from being raided. He feels if nothing else the Legislature should be reminded that these are restricted funds.

Mr. Garner suggested a letter from the Board be developed for all members to sign. He does not suggest a resolution from the Board.

Mr. Washington will prepare the letter.

## VI. STATUS REPORTS.

### Local Projects Completion Report.

Mr. Wood advised the Board that two acquisitions and eight development projects have been closed since the Board's June meeting.

### Lump Sum Report.

Mr. Wood advised the Board that this report (purple sheet) includes the projects that were approved and are pending from last year's funding cycle. It includes the beginning and remaining balances of all project accounts.

### Financial Status Report.

Mr. Wood advised the Board that this report (green sheet) has had another column added to include actual year-to-date for 2004 expenditures.

Mr. Dennis Fedewa, Chief Deputy, DNR, advised the Board that the 2004-2005 figures are projected. When you look at year-to-date figures, some line item expenditures, such as LOTS, this is a contract-driven expenditure. These expenditures are entered into the system when the deliverables are made by the contractor. They are not always an equal percentage as an operating expenditure. The dollars for LOTS will be spent when we get into the fourth quarter of the fiscal year. The billing from the contractor will be sent within this quarter.

Mr. Dempsey questioned the expenditure for DIT and LOTS for the next fiscal year. It was his understanding that these expenditures were going to be reconsidered as to charging to the MNRTF. Mr. Arwood also questioned these expenditures. They were under the assumption that the LOTS database was close to completion; therefore there would not be a need to charge for this. Mr. Fedewa will check on this.

Mr. Fedewa advised the Board that he will be working with the Department of Information and Technology (DIT) to get detailed budget expenditure plans from them—as to what was spent (actual figures and specifics) the previous fiscal year, as well as expenditure plans for the upcoming fiscal year. In addition, MNRTF portions for other expenditures will be reviewed.

Mr. Dempsey further stated the citizens of the State of Michigan have been very clear and have voted to constitutionally protect the MNRTF. Mr. Washington also stated that it should be made very clear how much MNRTF monies are being spent and where. The Board would like to know how line items, such as LOTS, are calculated to determine the MNRTF portion of the cost. Mr. Fedewa will provide this information to the Board.

## II. ADOPTION OF AGENDA FOR MEETING OF AUGUST 18, 2004.

Chairperson Thompson called for the adoption of the agenda for the August 18, 2004 meeting.

**MOVED BY MR. DEMPSEY, SUPPORTED BY MR. WASHINGTON, TO APPROVE  
THE AGENDA FOR THE MNRTF BOARD MEETING OF AUGUST 18, 2004.  
PASSED.**

VII. OTHER MATTERS AS ARE PROPERLY BROUGHT BEFORE THE BOARD.

None.

VIII. ANNOUNCEMENTS.

The next meeting of the Michigan Natural Resources Trust Fund Board is scheduled for 9:00 A.M., Wednesday, October 13, 2004, Clarion Hotel and Conference Center, 3600 Dunckel Drive, Lansing, Michigan.

IX. ADJOURNMENT.

**MOVED BY MR. GARNER, SUPPORTED BY MR. WASHINGTON, TO ADJOURN  
THE MEETING. PASSED.**

The meeting was adjourned at 11:09 A.M.

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Jim Thompson, Chairperson  
Michigan Natural Resources Trust Fund  
Board of Trustees

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James Wood, Chief  
Grants, Contracts and Customer Systems

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DATE